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10 March 1954

MEMORANDUM FOR: CHIEF, GENERAL PHYSICS BRANCH/APD
CHIEF, ELECTRONICS BRANCH/APD

SUBJECT: Difficulties with P-101, Communication System,
IR, and P-115, Transistorized Receivers and
Transmitters at [] under Tasks I and II
of RD-54.

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1. Introduction: This memorandum discusses the difficulties which have arisen and tries to isolate the causes. A possible solution to the problem is suggested.

2. Discussion:

a. Status of P-101, Task I - Work on P-101 was authorized as of 30 June 1953. The work was divided into 4 phases, all to be completed by 30 June 1954. The phases are: I, Research & Development Program; II, Engineering Development Program; III, Pre-Production Program; and IV, Pilot Run Production Program. At present [] is scheduling Phase I for completion by 1 August 1954. Expenditure of funds is presently about \$20,000 of a total authorization of \$310,190.14 for Phases I and II. It is apparent that the work and expenditures are lagging far behind the originally anticipated pace. The reason given by [] for this delay is lack of cleared personnel.

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b. Status of P-115, Task II - Work on P-115 was authorized as of 28 December 1953. The work is divided into 4 Phases identical with those of P-101. Phases I, II, III are to be completed by 28 December 1955 at a cost of \$338,727.33. Presently, 2½ months have passed without any significant work or expenditure on P-115. The reason given by Raytheon for this delay is lack of available cleared personnel.

c. Performance of [] has failed to perform well on several counts. Casual reading of the authorization to begin work on Task I shows that [] who signed for [] failed to realize the improbability of their completing all 4 phases within 1 year. The thought which [] put into planning their work on Task I consistent with security approval lag time and their other

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business appears to have been very slight. Task II appears to be somewhat, although not much, better in regard to planning.

[] has been unable to retain their cleared personnel in competition with other electronic firms. The record shows that roughly half of those persons whose clearances were requested by the start of Task I had left the company by the time their approvals were received. At an estimated cost of \$500.00 per clearance this has cost the Government \$7,500.00. It has also caused the present delay. Insufficient cleared personnel are available for work on our projects. For example, neither task has an assigned project engineer. (For reference, see the attached list of security clearances requests.)

On the other hand, some evidence of engineering and administrative ability has been shown by [] since the representatives of APD have begun to press the importance of the projects.

d. Performance of the Government - APD has been at fault in several ways in connection with the [] projects. First, the importance and significance of the 3-month clearance delay was not impressed on the [] people at the start of Task I. Second, no specifications worthy of the name have been prepared on either Task I or Task II. Third, [] was not required to do any extensive planning and the obvious evidence of lack of planning contained in the work authorization of Task I was overlooked. Fourth, close contact with [] was not established until 3 months of the contract had passed.

e. The Present Problems - At present there seem to be two major problems to be solved if the work under RD-54 is to be continued. First, cleared personnel must be available for work. Second, a plan of attack and a system of review for guiding and judging performance of the remainder of the work must be established in cooperation with the [] management.

Short of termination of the contract for the convenience of the Government, little can be done about revenging ourselves on the past delays. The attitude of the [] management, in particular [] seems to indicate that nothing but harm would be gained at the present time from trying to work through [] to increase performance. [] seems to be aware of and concerned about [] poor performance. He would apparently back any plan containing definite, discrete steps with individual deadlines in such a way as to increase [] performance.

It appears that the best way out of this situation is to forget past mistakes and try to prevent future ones. The solution outlined below may be one method of accomplishing this.

3. Proposed Solution:

a. APD should gather all the information available on the characteristics desired in the IR Communication System and write an

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exhibit containing a summary of the desired characteristics. A letter to the Area Divisions containing this summary would be desirable for confirmation and information purposes.

b. APD should decide what is wanted from P-115. A statement of technical requirements should be written.

c. APD should forward a. and b., above, to [] for their information. Neither paper would be legally binding without a supplement to the contract.

d. APD should request that [] prepare, on the basis of the results desired as stated in a. and b., above, plans of action. These plans of action should be realistic. That is, clearance delays and other work at [] should be taken into account. These plans should contain a breakdown of each project into phases and component parts of each phase, such as, supply, optical system, circuitry, etc. The plans should contain a graph schedule showing the order in which the component parts of the projects will be done. The number and type of personnel required as a function of time should be stated. Actual personnel should be assigned to each component part. Finally, each component part or group of parts should be assigned a monetary and calendar deadline.

e. An agreement should be made between APD and the [] management that these plans be the basis for review of the projects. APD should make it plain that, if at any time the projects fall behind the plans, grounds for more drastic action would exist. Such drastic action might be either a letter from Contracts Branch to [] [] stating the difficulties and asking for improvement, or a termination at the convenience of the Government.

4. Action: It is requested that this program be discussed and that a decision be made regarding the steps to be taken on P-101 and P-115.

[]
APD/TSS

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Distribution

Orig. - P-101

1 - P-115

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